

Members

Rep. Rich McClain, Chairperson  
Rep. Matt Whetstone  
Rep. Ben GiaQuinta  
Rep. Scott Reske  
Sen. Thomas Wyss  
Sen. Allen Paul  
Sen. Allie Craycraft  
Sen. Timothy Skinner  
Lloyd Arnold  
Joe Ryan  
John Dahman  
Ken Hodges



# COMMISSION ON MILITARY AND VETERANS AFFAIRS

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Authority: IC 2-5-20

## MEETING MINUTES<sup>1</sup>

**Meeting Date:** October 4, 2006  
**Meeting Time:** 10:00 A.M.  
**Meeting Place:** State House, 200 W. Washington  
St., Room 130  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 1

**Members Present:** Rep. Rich McClain, Chairperson; Rep. Matt Whetstone; Rep. Ben GiaQuinta; Joe Ryan; John Dahman; Ken Hodges.

**Members Absent:** Rep. Scott Reske; Sen. Thomas Wyss; Sen. Allen Paul; Sen. Allie Craycraft; Sen. Timothy Skinner; Lloyd Arnold.

### I. Call to Order and Introduction of Members

Representative Rich McClain, Chair of the Commission on Military and Veterans Affairs, convened the meeting at 10:07 a.m. After the Commission members introduced themselves, Representative McClain announced that the meeting's agenda would include presentations by: (1) Mr. Tom Applegate, Director of the Indiana Department of Veterans Affairs; (2) Representative Matt Whetstone; and (3) Colonel Joe Ryan, U.S. Army (Ret.), Military Veterans Coalition of Indiana.

### II. Mr. Tom Applegate, Director of the Indiana Department of Veterans Affairs

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Mr. Tom Applegate, Director of the Indiana Department of Veterans Affairs (IDVA), presented IDVA's proposed legislative changes to the Commission. Mr. Applegate informed the Commission that Indiana's veterans affairs laws date to 1945 and have changed little since their enactment, resulting in administrative difficulties.

First, Mr. Applegate recommended changes to IC 10-17-1-6,<sup>2</sup> which in part establishes the employment criteria for the Director and other officers and employees of IDVA. The IDVA changes include: (1) amending the criteria for certain positions to include veterans discharged under honorable conditions and requiring active service in the United States armed forces; (2) allowing the spouses, parents, and children of individuals who satisfy the criteria to serve in limited positions; and (3) allowing individuals who currently are employed by IDVA but do not satisfy the criteria to continue in their employment.

Next, Mr. Applegate recommended changes to IC 10-17-1-9 and 915 IAC 1-1-1,<sup>3</sup> which establish employment criteria and rules for county and city service officers. The IDVA changes include: (1) amending IC 10-17-19 to apply the same employment criteria and rules to county and city service officers and employees as to IDVA officers and employees; and (2) repealing 915 IAC 1-1-1 because its content would be covered by the amendment to IC 10-17-1-9.

Then, Mr. Applegate requested the deletion of language in 915 IAC 1-1-4<sup>4</sup> that proscribes the assignment of powers of attorney for the prosecution of veterans benefit claims to local service officers or IDVA. Mr. Applegate noted that Indiana is one of five states that is not recognized to prosecute veterans benefit claims.

Mr. Applegate also recommended two changes to IC 20-12-19-1,<sup>5</sup> which provides an exemption for postsecondary tuition and fees for children of disabled or deceased veterans: (1) Requiring service on active duty, rather than inactive service, by a veteran whose child seeks the exemption. (2) Accepting determinations of service connected death or disability by the United States Department of Defense in addition to determinations by the United States Department of Veterans Affairs. Mr. Applegate stated that enacting these changes would eliminate confusion in processing exemption claims.

Finally, Mr. Applegate proposed new legislation<sup>6</sup> defining the term "veteran" for purposes of determining eligibility for certain state benefits. Mr. Applegate noted that having a single definition would eliminate confusion in the administration of veterans benefits.

At the conclusion of Mr. Applegate's presentation,<sup>7</sup> Colonel Ryan stated that the suggested change to IC 10-17-1-6 expanding the employment criteria for certain IDVA offices and positions to include veterans discharged under honorable conditions is too broad. Colonel Ryan recommended retaining the existing language of IC 10-17-1-6.

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<sup>2</sup>See Exhibit A, Item 1.

<sup>3</sup>See Exhibit A, Item 2.

<sup>4</sup>See Exhibit A, Item 3.

<sup>5</sup>See Exhibit A, Item 4.

<sup>6</sup>See Exhibit A, Item 5.

<sup>7</sup>See Exhibit B.

### III. Representative Matt Whetstone: Supporting Hoosier Military

Representative Matt Whetstone distributed a document entitled "Supporting Hoosier Military",<sup>8</sup> which listed seven legislative proposals intended to provide support to Hoosier soldiers and their families:

(1) 100% Military Income Exemption for Citizen Soldiers: Exempt 100% of military income received by members of the National Guard or the United States armed forces who are on active duty. Current law provides a \$2,000 exemption.

(2) Increase Military Income Exemption for Full Time Hoosier Soldiers: Increase from \$2,000 to \$5,000 the state income tax deduction for active duty military personnel residing in Indiana.

(3) Expand Military Family Relief Fund: Extend eligibility for the military family relief fund from members of the National Guard or reserve components of the United States armed forces to all Indiana military officers on active duty. Provide annual grants of up to \$2,000 to Indiana soldiers.

(4) Income Tax Check-off for Military Family Relief Fund: Create a check-off on the state income tax return form for voluntary contributions to the military family relief fund.

(5) Child Care Assistance for Active Duty Parents: Add child care expenses to the list of covered expenses under the military family relief fund.

(6) Extension of the Delayed High School Diploma Program: Include veterans of the Korean crisis and the Vietnam conflict in the delayed high school diploma program, which currently is open only to veterans of World War II.

(7) Protection of Military Discharge Papers: Limit public access to military discharge papers, which typically are filed with the county recorder.

At the conclusion of Representative Whetstone's presentation, Colonel Ryan expressed his support for proposals (3), (6),<sup>9</sup> and (7).

### IV. Colonel Joe Ryan, U.S. Army (Ret.), Military Veterans Coalition of Indiana

Colonel Ryan, a member of the Commission, presented the seven primary legislative objectives of the Military Veterans Coalition of Indiana (MVCI).<sup>10</sup>

Colonel Ryan first discussed the creation of a veterans affairs trust.<sup>11</sup> At Colonel Ryan's invitation, Mr. Robert Book, U.S. Marine Corps (Ret.), testified on behalf of the MVCI that other states have self-funding trusts which consolidate veterans' programs, benefits, and services. Mr. Book asked the Commission to recommend the creation and funding of a veterans affairs trust study committee for the 2007 interim and provided the Commission

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<sup>8</sup>See Exhibit C.

<sup>9</sup>See Exhibit D.

<sup>10</sup>See Exhibit E.

<sup>11</sup>See Exhibit F.

with information concerning the Wisconsin Department of Veterans Affairs.<sup>12</sup> Colonel Ryan agreed with these recommendations.

Colonel Ryan then recommended increasing the Indiana income tax deduction for military pay from \$2,000 to 100% of military pay.<sup>13</sup> Colonel Ryan stated that the deduction amount has not been increased since its enactment in 1964, which creates a disincentive for military personnel to live in Indiana, especially because three of the states bordering Indiana exempt 100% of military pay.

Colonel Ryan next recommended instituting a program to reimburse Indiana's recipients of the Congressional Medal of Honor for travel, lodging, and other expenses incurred when they participate in civic, patriotic, and other events.<sup>14</sup>

Colonel Ryan also suggested implementing a one time \$500 combat service bonus for Indiana residents who serve honorably in the National Guard or the United States armed forces for at least six months outside the state.<sup>15</sup> Colonel Ryan noted that 23 states currently award similar bonuses ranging from \$100 to \$1,000.

In addition, Colonel Ryan proposed creating a death benefit for the families of Indiana soldiers who die in connection with their military service.<sup>16</sup> Colonel Ryan informed the Commission that Illinois offers a \$260,000 special death benefit for its public safety officers.

Finally, Colonel Ryan provided additional information concerning veterans' benefits in Wisconsin, including the Wisconsin Veterans Trust Fund.<sup>17</sup>

#### V. Public Comments and Other Business

Representative McClain opened the meeting to public testimony. Mr. David Havelly, Adjutant and Quartermaster of the Indiana Department of the Veterans of Foreign Wars, urged the Commission to address the difficult issues facing it, such as identifying funding sources for the proposed veterans programs and benefits.

Mr. John Dahman, Commission member, stated that he has served on the Commission since its inception in 1992 and is proud of the Commission's work, including the success it enjoyed last year in increasing the space available to the USO (United Service Organizations) at the Indianapolis International Airport.

Representative McClain informed the Commission that it would have a second and final meeting in approximately three weeks at which the Commission would review drafts of proposed legislation and review and approve its annual report.

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<sup>12</sup>See Exhibit G.

<sup>13</sup>See Exhibit H.

<sup>14</sup>See Exhibit H.

<sup>15</sup>See Exhibit I.

<sup>16</sup>See Exhibit E.

<sup>17</sup>See Exhibit K.

## VI. Adjournment

Representative McClain thanked the members for their participation and adjourned the meeting at approximately 11:05 a.m.